

FIFTY-SECOND LEGISLATURE
FIRST SESSION

March 19, 2015

SENATE FLOOR AMENDMENT number ___1___ to HOUSE BILL 236, as amended
Amendment sponsored by Senator Shendo

1. Strike House Ways and Means Committee Amendments 9 through 12.

2. On page 1, line 14, after "CAPACITY", insert "; ADJUSTING THE PERCENTAGES OF SEVERANCE TAX BONDING CAPACITY ALLOCATED FOR TRIBAL INFRASTRUCTURE PROJECTS AND COLONIAS INFRASTRUCTURE PROJECTS".

3. On page 1, between lines 16 and 17, insert the following new sections:

"SECTION 1. Section 7-27-10.1 NMSA 1978 (being Laws 2003, Chapter 134, Section 1, as amended) is amended to read:

"7-27-10.1. BONDING CAPACITY--AUTHORIZATION FOR SEVERANCE TAX BONDS--PRIORITY FOR WATER PROJECTS AND TRIBAL INFRASTRUCTURE PROJECTS.--

A. By January 15 of each year, the [~~board of finance~~] division [~~of the department of finance and administration~~] shall estimate the amount of bonding capacity available for severance tax bonds to be authorized by the legislature.

B. The division shall allocate ten percent of the estimated bonding capacity each year for water projects, and the legislature authorizes the state board of finance to issue severance tax bonds in the annually allocated amount for use by the water trust board to fund water projects statewide, except for projects authorized in Subsection [E] F of this section. The water trust board shall certify to the state board of finance the need for

FIFTY-SECOND LEGISLATURE
FIRST SESSION

SF1/HB 236, aa

Page 2

issuance of bonds for water projects. The state board of finance may issue and sell the bonds in the same manner as other severance tax bonds in an amount not to exceed the authorized amount provided for in this subsection. If necessary, the state board of finance shall take the appropriate steps to comply with the federal Internal Revenue Code of 1986, as amended. Proceeds from the sale of the bonds are appropriated to the water project fund in the New Mexico finance authority for the purposes certified by the water trust board to the state board of finance.

C. The ~~[board of finance]~~ division shall allocate ~~[five percent]~~ the following percentages of the estimated bonding capacity ~~[each year]~~ for tribal infrastructure projects ~~[and]~~:

(1) in 2016, six and one-half percent; and

(2) in 2017 and each subsequent year, five and one-half percent.

D. The legislature authorizes the state board of finance to issue severance tax bonds in the ~~[annually allocated]~~ amount allocated pursuant to this section for use by the tribal infrastructure board to fund tribal infrastructure projects. The tribal infrastructure board shall certify to the state board of finance the need for issuance of bonds for tribal infrastructure projects. The state board of finance may issue and sell the bonds in the same manner as other severance tax bonds in an amount not to exceed the authorized amount provided for in this subsection. If necessary, the state board of finance shall take the appropriate steps to comply with the federal Internal Revenue Code of 1986, as amended. Proceeds from the sale of the bonds are appropriated to the tribal infrastructure project fund for the purposes certified by the tribal infrastructure board to the state board of finance.

~~[D.]~~ E. Money from the severance tax bonds provided for in this section shall not be used to pay indirect project costs. Any unexpended balance from proceeds of severance tax bonds issued for a

FIFTY-SECOND LEGISLATURE
FIRST SESSION

SF1/HB 236, aa

Page 3

water project or a tribal infrastructure project shall revert to the severance tax bonding fund within six months of completion of the project. The New Mexico finance authority shall monitor and ensure proper reversions of the bond proceeds appropriated for water projects, and the department of finance and administration shall monitor and ensure proper reversions of the bond proceeds appropriated for tribal infrastructure projects.

~~[E.]~~ F. The ~~[board of finance]~~ division ~~[of the department of finance and administration]~~ shall:

(1) void the authorization to the water project fund held at the New Mexico finance authority to make grants or loans of severance tax bond proceeds for projects pursuant to Subsection U of Section 1 of Chapter 41 of Laws 2006 for the northwest New Mexico council of governments in McKinley county for a water distribution project and Subsection 25 of Section 1 of Chapter 139 of Laws 2007 for the Navajo Nation division of natural resources department of water resources water management branch for a regional water project in Rio Arriba, Sandoval, McKinley, San Juan and Cibola counties; and

(2) authorize the department of environment to make a grant of the unexpended proceeds of severance tax bonds issued in fiscal years 2006 and 2007 for the purposes of the water project fund to be used for the authorizations identified in Paragraph (1) of this subsection and appropriate to the department of environment five million three hundred seventy-five thousand two hundred forty-four dollars (\$5,375,244) for the Navajo Nation division of natural resources department of water resources water management branch for a regional water distribution project in Rio Arriba, Sandoval, McKinley, San Juan and Cibola counties. Any unexpended balance of the funds authorized for expenditure in this section shall revert to the severance tax bonding fund at the end of fiscal year 2013 or upon completion of the project, whichever is earlier.

~~[F.]~~ G. As used in this section:

FIFTY-SECOND LEGISLATURE
FIRST SESSION

SF1/HB 236, aa

Page 4

(1) "division" means the board of finance division of the department of finance and administration;

~~[(1)]~~ (2) "tribal infrastructure project" means a qualified project under the Tribal Infrastructure Act; and

~~[(2)]~~ (3) "water project" means a capital outlay project for:

(a) the storage, conveyance or delivery of water to end users;

(b) the implementation of federal Endangered Species Act of 1973 collaborative programs;

(c) the restoration and management of watersheds;

(d) flood prevention; or

(e) conservation, recycling, treatment or reuse of water."

SECTION 2. Section 7-27-12.5 NMSA 1978 (being Laws 2010, Chapter 10, Section 9) is amended to read:

"7-27-12.5. AUTHORIZATION FOR SEVERANCE TAX BONDS--PRIORITY FOR INFRASTRUCTURE PROJECTS FOR COLONIAS.--

A. After the annual estimate of severance tax bonding capacity pursuant to Subsection A of Section 7-27-10.1 NMSA 1978, the board of finance division of the department of finance and administration shall allocate ~~[five percent]~~ the following percentages of the estimated bonding capacity ~~[each year]~~ for colonias infrastructure projects ~~[and]~~:

(1) in 2016, six and one-half percent; and

FIFTY-SECOND LEGISLATURE
FIRST SESSION

SF1/HB 236, aa

Page 5

(2) in 2017 and each subsequent year, five and one-half percent.

B. The legislature authorizes the state board of finance to issue severance tax bonds in the [~~annually allocated~~] amount allocated pursuant to this section for use by the colonias infrastructure board to fund the projects. The colonias infrastructure board shall certify to the state board of finance the need for issuance of bonds for colonias infrastructure projects. The state board of finance may issue and sell the bonds in the same manner as other severance tax bonds in an amount not to exceed the authorized amount provided for in this subsection. If necessary, the state board of finance shall take the appropriate steps to comply with the federal Internal Revenue Code of 1986, as amended. Proceeds from the sale of the bonds are appropriated to the colonias infrastructure project fund for the purposes certified by the colonias infrastructure board to the state board of finance.

~~[B.]~~ C. Money from the severance tax bonds provided for in this section shall not be used to pay indirect project costs. Any unexpended balance from proceeds of severance tax bonds issued for a colonias infrastructure project shall revert to the severance tax bonding fund within six months of completion of the project. The colonias infrastructure board shall monitor and ensure proper reversions of the bond proceeds appropriated for the projects.

~~[C.]~~ D. As used in this section, "colonias infrastructure project" means a qualified project under the Colonias Infrastructure Act."".

4. Renumber the succeeding sections accordingly.

5. On page 4, lines 2 and 3, strike "ninety-two and seven-tenths" and insert in lieu thereof "ninety-four and four-tenths".

6. On page 4, lines 4 and 5, strike "ninety and four-tenths"

FIFTY-SECOND LEGISLATURE
FIRST SESSION

SF1/HB 236, aa

Page 6

and insert in lieu thereof "ninety-three and eight-tenths".

7. On page 4, lines 6 and 7, strike "eighty-eight and one-tenth" and insert in lieu thereof "ninety-three and two-tenths" and on line 7, strike "and".

8. On page 4, lines 8 and 9, strike "and subsequent fiscal years, eighty-five and eight-tenths" and insert in lieu thereof ", ninety-one".

9. On page 4, line 9, strike the period and insert in lieu thereof a semicolon.

10. On page 4, between lines 9 and 10, insert the following new paragraphs:

"(5) for fiscal year 2020, eighty-nine and four-tenths percent;

(6) for fiscal year 2021, eighty-seven and eight-tenths percent; and

(7) for fiscal year 2022 and subsequent fiscal years, eighty-six and two-tenths percent."

Senator Benny Shendo, Jr.

FIFTY-SECOND LEGISLATURE
FIRST SESSION

SF1/HB 236, aa

Page 7

Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____